DESCRIPTION OF CONFIDENTIAL WITNESSES

CW-1 was a former Program and Commercial Manger with Vodafone in Düsseldrof, Germany from July 2004 to June 2006.

CW-2 was a former Global Services Group Marketing Program Manager with Vodafone in Düsseldorf, Germany from May 2004 to April 2007.

CW-3 was a former Principal Product Manager with Vodafone in London, UK throughout the Class Period.

CW-4 was a former Global Media Auditor with Vodafone Group Services in Newbury, London from May 2005 to July 1, 2006.

CW-5 was a former head of Retail Sales Department in Vodafone Japan before the start of the Class Period until October 2004.

CW-6 was a former Assistant Manager, Corporate Planning Office in Vodafone Japan throughout the Class Period.

CW-7 was a former Director of Technology with Vodafone from June 1999 to late 2005/early 2006.

CW-8 was a former Advanced Data Specialist with Vodafone from 2000 to 2006.

CW-9 was a former Network Engineer with Vodafone D2 in Germany and Vodafone throughout the Class Period.

CW-10 was a former Senior Architect and EMEA Region Consultant with Vodafone Core Network Vendor, Nortel from 2001 to 2007.

CW-11 was a former Business Analyst with Vodafone in Milan, Italy in 2005.

Summary Statements of Additional CWs

Issue	CW #	Confidential Witness Statement
Japan	6	Japan was the first country in the world to introduce 3G technology/services to customers. When VOD introduced its 3G handsets, which were designed by Nokia and Motorola, to the Japanese market, it was a "very sad experience." VOD's product specifications did not meet Japanese customers' expectations. VOD's product was "very cheap." VOD 3G handsets by Nokia and Motorola had "poor cosmetic or external appearance." There were user interface issues. It was difficult for the Japanese users to operate European handsets because the user interface was designed differently from the Japanese user interfaces that they were accustomed to. VOD handsets were also more expensive than the Japanese handsets. VOD failed to understand that Japanese customers had different requirements/expectations, which, "unfortunately" to this day, remain different from the European customer expectations. Japanese customers expect a different level of quality, different product specifications; the level of their experience with mobile devices is different as well.
Japan	7	The One Vodafone-related strategy of procuring and selling "European" handsets and services in Japan did not bode well for Vodafone. Japanese customers were not satisfied with Vodafone's roll-out of 3G handsets and services beginning in 2004 because Japanese customers were not accustomed to or desirous of these products and services. As a result, Vodafone experienced significant customer churn in Japan. When the Vodafone Board members realized that the launch of "European" 3G phones and services in Japan was failing in 2004 and in periods thereafter, the management team in Japan was replaced. The management changes at the operating company in Japan in 2004 and early 2005 were evidence that Vodafone's strategy in Japan was not successful.
Japan	1	Vodafone's operating entity in Japan was in "complete shambles" during CW-1's tenure. Vodafone acquired investments in the legacy J-Phone group in piecemeal beginning in approximately 2001.

Summary Statements of Additional CWs

Issue	CW #	Confidential Witness Statement
Japan	1	In approximately late calendar 2004, as part of the One Vodafone strategy, Vodafone launched 3G phones in every one of its markets. The issue in Japan arose because the Japanese market was technologically advanced beyond that of Europe, but Vodafone ignored this fact with the late calendar 2004 launch of 3G phones in Japan. The 3G phones Vodafone launched in Japan in late 2004 were standard European brand phones, such as Nokia and Motorola, to which the Japanese customers were not accustomed and which "did not fly" in Japan. By early calendar 2005, Vodafone was "losing hundreds of thousands" of customers per month in Japan, which CW-1 knew about because it was "well publicized" in Europe and "everyone at Vodafone" knew and talked about the issue. Approximately one year later in March 2006, Vodafone "cut its losses" in Japan, with the sale of its Japanese operating entity to Softbank. When asked about the validity of statements made by the defendants regarding improvements in the Japanese operating entity's financial condition, CW-1 understood that operations in Japan did not improve after the launch of the European brand 3G phones in Japan in late calendar 2004, noting that Vodafone never regained the "hundreds of thousands" of customers it lost in Japan beginning in early calendar 2005. CW-1 further characterized the Company's operations in Japan as a "complete mess," rife with struggles and "poor management."
Japan	8	Vodafone sought to compete against the incumbent DoCoMo in Japan, but failed to realize and/or capitalize on various idiosyncrasies pertaining to the Japanese market. For example, Vodafone Japan executives forecasted data revenues as a "cash cow" for Vodafone in Japan, but did not realize that there were particular games and text messaging functions that were unique to Japan and which any company that sought to derive Japanese data revenues had to incorporate into its offerings to be successful. Vodafone did not offer popular games, services or applications in Japan, and the failure to do so contributed to the Company's lack of success in the mobile market in Japan.
Japan	4	Vodafone's efforts to launch 3G phones in Japan in 2004 were a "misstep" for Vodafone. CW-4 noted that the 3G phones that Vodafone launched in Japan beginning in 2004 failed to meet the needs of the Japanese mobile phone consumers, as the Japanese mobile phone market was much more sophisticated and "complex" than other markets in which Vodafone operated. Therefore, 3G phones that Vodafone launched in Europe and the UK were not suitable for the market in Japan.
Japan	5	One of the serious problems that Vodafone faced in the Japanese market was the fact that the Japanese regulatory requirements were different for Vodafone than for the local companies because VOD was European-based and publicly owned. Another issue for VOD in Japan involved Japanese tax laws, which were structured differently than European or US tax laws.

Summary Statements of Additional CWs

Issue	**CW #**	**Confidential Witness Statement**
Japan	5	There was one major cause for all the issues Vodafone encountered in Japan, which was the Company's 30% EBIDTA target requirement that was imposed by the corporate Vodafone headquarters on all of the Company's operating companies, including Vodafone K.K. (the Japanese operation). This 30% EBIDTA requirement severely impaired Vodafone's ability to operate effectively in Japan. In essence, Vodafone's competitor's were not under the same onus to realize 30% EBIDTA, but could continue to invest significant monies in research and development to continue advancing their products, service offerings, and overall quality. Vodafone was much slower launching 3G services than its Japanese competitors. AU KDDI introduced their 3G services much earlier than Vodafone. AU KDDI had also introduced a CDMA network, which provided a much higher speed to the Japanese customers. AU KDDI was enjoying success with 3G and CDMA even before Vodafone launched its 3G services.

Summary Statements of Additional CWs

Issue	CW #	Confidential Witness Statement
Italy	7	Vodafone's margins were significantly reduced when Hutchinson entered the Italian market and introduced the concept of subsidized handsets in approximately 2004.
Italy	1	Vodafone's issue in its Italian operating entity during the class period stemmed from competition from Hutchinson 3 (the company's name). Prior to Hutchinson 3's "competitive attack" in Italy in 2003 or 2004, handsets sold in Italy were not subsidized. In essence, unlike in the US or UK where the cost of handsets is greatly reduced for users who commit to a mobile phone service contract, users in Italy were willing to pay virtually full price for the handsets, in addition to paying monthly for the service fees. Italian mobile phone users were more inclined to pay full price for their handsets given the importance of fashion in Italy.
Italy	1	Vodafone and Telecom Italia Mobile ("TIM") – the other incumbent prior to Hutchinson 3's entry into the Italian market – had enjoyed high margins on sales of handsets in Italy. Hutchinson 3 completely altered the business model in Italy beginning in approximately 2004, as users who were offered a subsidized handset would almost always choose that handset over one for which they had to pay full price. Both Vodafone and TIM had no choice but to adopt the subsidized handset model if they wanted to remain competitive with Hutchinson 3. As such, Vodafone's margins on sales of handsets in Italy declined during the class period.
Italy	8	Vodafone Italy had outsourced all of its infrastructure and network maintenance and management to Nokia – or as stated by CW-8, Vodafone Italy "handed over the keys to the shop" to Nokia. The Vodafone Italy network was "awkward and cumbersome" because of the piecemeal changes that had been made to the network through the ownership of Omnitel and the change of ownership from Omnitel to Vodafone in 2000. There was no way for Vodafone Italy to reduce costs by eliminating Vodafone Italy's personnel redundancies. Combined, these issues – including the outsourcing to Nokia, the "cumbersomeness" of the Vodafone Italy network, and the inability to reduce headcount at the Vodafone Italy operating company – contributed to the 2006 asset write-down, which related in part to operations in Italy.

Summary Statements of Additional CWs

Issue	**CW #**	**Confidential Witness Statement**
3G	7	Vodafone's issues during the class period were related more to the lack of 3G sales than to One Vodafone.
3G	8	Not only was the demand for 3G "very slow" to materialize, but users realized that the prices for data accessed via a handset were well beyond what they would pay to access the same data on the Internet by landline from home or the office. As such, the "enormous take up" that Vodafone anticipated for 3G data services was not there because of pricing issues. There seemed to be a "sense of desperation" throughout Vodafone around the time CW-8 transferred to Vodafone Group, which CW-8 believed resulted particularly from the anticipated demand for 3G not having materialized. Another issue relating to 3G data services was that the sales personnel assigned to promote data services were accustomed to selling voice plans and did not realize the magnitude of change required to pitch more expensive data services. Ultimately, Vodafone was forced to "drop its prices" for 3G data services, which was not conducive to recouping the Company's investment in 3G licenses. Vodafone's "approach" had always been to provide better quality at a more expensive price. However, the issues with 3G data services were such that for the first time Vodafone had to lower its pricing on services.
3G	2	During the class period, 3G was not as "well received" as Vodafone senior executives might have anticipated. Vodafone's global team was trying to assess and amalgamate user behavior across 40 different locations (i.e., operating companies), which was an ambitious goal and ultimately one that did not reach fruition because of changes to the Company's strategy and because users across such a large geographical base could not be expected to conform to one standard or handset model.

Summary Statements of Additional CWs

Issue	CW #	Confidential Witness Statement
One Vodafone	1	The One Vodafone endeavor was based, at least in part, on deriving costs synergies and savings through the implementation of global programs. Vodafone was attempting to mirror strategies by companies such as Dell and Apple, which had successfully launched and marketed the same product across many different geographies, and benefited from the costs savings yielded by not having to tailor products to specific markets. One Vodafone was more of a failure, in spite of some isolated successes. One Vodafone was a failure for the Company for at least two different reasons, including a "breakdown" in communication between the Global organization and Vodafone's local operating companies. Another reason lay in the faulty assumptions underlying the One Vodafone goal of increasing cash flow by £2.5 billion. In essence, while some cost savings goals might have been met via the reduction of costs for handset procurement, the revenue goals associated with One Vodafone were not, which was a result, at least in part, of issues with 3G phone sales and forecasts in the UK. Another failure of the One Vodafone strategy related to Vodafone having "overpaid" for 3G licenses in the UK and having based forecasted increases in operating cash flow on sales of 3G handsets that did not materialize. Vodafone paid "several billion pounds" (estimate) for its 3G license in 2000, which, according to CW-1, was done because the thought at the time was that not having a 3G license would be fatal for the Company. Vodafone needed to earn substantial revenues on sales of 3G phones and services in order to recuperate the costs of its UK 3G license. This need to earn revenues on sales of 3G phones represented one of Vodafone's "biggest problems." The 3G issue "tied in" with Vodafone's April 2000 acquisition of Mannesmann, in that Vodafone was essentially dependent, after its investment in a UK 3G license and acquisition of Mannesmann, on a "future market" for which the Company could have no real performance assurances. Beginning in 2005, ARPU (average revenue per user) in the UK "fell marginally" and remained flat at around £35 per month, instead of the £45 to £55 per month that Vodafone had forecasted.
One Vodafone	1	Given the lack of growth in the UK in ARPU, One Vodafone failed and was abandoned around the time that CW-1 left Vodafone in June 2006. However, from the end of 2004 onward and throughout the remainder of CW-1's tenure, elements of the One Vodafone strategy relating to revenue growth, and namely ARPU in the UK, were clearly not being attained despite the significance of achieving these set

Summary Statements of Additional CWs

		goals. The Company's write-offs announced in February 2006 did not relate solely to operations in Italy, Japan, and Germany. Instead, the $40 to $49 billion asset write-down resulted, at least in part, from the impairment of the value of Vodafone's UK 3G license, for which the Company had overpaid and on which it was unable to earn sufficient and expected returns on investment. Both the *Vodafone Simply* and UK 3G failures negatively impacted Vodafone and likely contributed to the Company's November 2005 announcement regarding a 23 percent decline in operating profits. The UK 3G issue was much more significant in terms of Vodafone's "bottom line." A large percentage – as much as 70 to 80 percent – of Vodafone's global handset portfolio consisted of 3G phones in calendar 2005 and through the remainder of CW-1's tenure with the Company. By contrast, the handset portfolios of some of Vodafone's competitors were comprised of only 30 to 40 percent 3G handsets. As such, Vodafone was conspicuously committed to 3G and, therefore, dependent on the sales of 3G handsets for revenue growth. However, beginning in calendar 2005, anticipated sales of 3G phones in the UK did not materialize as planned. Furthermore, the Company also failed miserably with efforts to launch 3G phones in Japan, beginning in late calendar 2004.
One Vodafone	2	Because the Marketing group changed the handset strategy every six months or so, there was insufficient time available for many of the various initiatives to be fully developed, implemented and allowed time to produce results. Strategic initiatives related to the handset business were implemented but rarely carried through to fruition at Vodafone because there were too many management reorganizations. Instead, an initiative was typically introduced, only to be withdrawn and replaced with a new initiative without allowing the potential of the first initiative to be fully realized. There were at least three management reorganizations during CW-2's tenure. As of mid-2005, the *One Vodafone* strategy changed so that sufficient time was not allotted to allow the prioritized suggestions to be implemented and thereby materialize into operating efficiencies. In this regard, the "reshuffling" of management personnel impacted both handset initiatives, as well as elements of the *One Vodafone* strategy.
One Vodafone	4	Vodafone had an issue with customer churn rates at the time CW-4 joined the Company in May 2005. Not only was Vodafone losing customers in various markets as a result of dropped calls, but the customers the Company was able to retain were not spending much time on their mobile phones or using their phones in the amount Vodafone needed to attain forecasted ARPU.

Summary Statements of Additional CWs

		Vodafone partnered with Omnitel (however *not* Omnitel Pronto Italia, which Vodafone acquired through its April 2000 acquisition of Mannesmann) in the UK for data regarding dropped calls and customer satisfaction. The surveys demonstrated that Vodafone's customers were unhappy with their mobile phone service because of the number of dropped calls they experienced on the Vodafone network.
One Vodafone	9	The operating companies functioned "quite independently" before One Vodafone was implemented. Personnel from the different operating companies selected their own vendors and negotiated with the vendors independently of one another. Such independent action was leading to erosion of Vodafone's margins (especially when many of the operating companies were delivery products in "saturated markets"). The Head of Global Technology lacked the "power" necessary to enforce the guidelines established at the Group level. For instance, the Head of Global Technology did not have budgetary authority for technology, so that even though global standards were set for technology, the operating companies maintained control of their technology budgets, which ultimately gave the operating companies the power to choose whether or not they abided by the guidelines. This did not change until September 2006. According to CW-9, while One Vodafone "looked good on paper," it proved to be a very difficult change initiative for the Company.

Summary Statements of Additional CWs

Issue	CW #	Confidential Witness Statement
Tax Payments	4	The November 2005 announcement regarding an $8.7 billion tax bill related to delayed tax payments on acquisitions that Vodafone had made in years prior. Various governments had been negotiating for some time regarding which governments were entitled to the taxes on Vodafone's acquisitions, given the myriad geographical boundaries that Vodafone and its acquired entities spanned.

Summary Statements of Additional CWs

Issue	CW #	Confidential Witness Statement
Roaming Fees	1	There was a “massive market” for roaming charges, whereby Vodafone could charge its users astronomical fees to call from one country to another. However, in 2006 or 2007, some sort of regulatory cap was placed on roaming charges, and Vodafone was unable to charge such high roaming fees.